

Message Text

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NODIS

FOLLOWING REPEAT TEHRAN 6398 ACTION STATE JULY 5.

QUOTE E C R E T TEHRAN 6398

NODIS

EO 11652: GDS
TAGS: OVIP, PK, IR
SUBJ: UNDER SECRETARY NEWSOM'S VISIT: THE MOOD OF
THE SHAH

1. THE SHAH AND THE FOREIGN MINISTER ARE EAGERLY LOOKING
AHEAD TO THE UNDER SEC NEWSOM'S VISIT. IN RECENT MONTHS THE SHAH
HAS BEEN GLOOMY AND HAS AT TIMES HAD AN AIR OF FATALISM BROUGHT
ABOUT BY, AS HE SEES IT, THE ABSENCE OF A U.S. RESPONSE TO SOVIET
EXPANSIONISM. TO THE SHAH IT MATTERS LITTLE IN THE REAL WORLD
WHETHER THE SOVIETS-HAVING PLACED THEMSELVES WELL IN THE
AREA-TOOK ADVANTAGE OF ESSENTIALLY INTERNAL EVENTS IN

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AFGHANISTAN AND THE YEMENS OR IN FACT STIMULATED THE EVENTS.
THE NET RESULT IS IN HIS VIEW FURTHER ADVANCES IN THE SOVIET
LONG-TERM MASTER PLAN TO ENCIRCLE IRAN AND EVENTUALLY TO
CONTROL DIRECTLY OR INDIRECTLY THE FLOW OF OIL.

2. U.S. POLICY IN THE HORN OF AFRICA AND OUR RELATIVE
SILENCE RE AFGHANISTAN AND THE YEMENS HAVE ONCE AGAIN

RAISED THE BOGEY IN HIS MIND OF A SOVIET-US UNDERSTANDING TO DIVIDE THE AREA INTO SPHERES OF INFLUENCE (TEHRAN 6349). HE MADE MUCH THE SAME POINTS TO A RECENT HIGH-LEVEL BRITISH VISITOR. WHILE PART OF HIS MUSING CAN BE ATTRIBUTED TO HIS FORM OF GAMESMANSHIP, THE RUSSO-BRITISH 1907 AGREEMENT AND THE DIVISION OF IRAN DURING WORLD WAR II NAG HIM WHEN THE SOVIETS ARE IN A PERIOD OF EXPANSIONISM AND THE US CONTINUES TO EMPHASIZE DETENTE AND THE LARGER ISSUES SUCH AS SALT AND MBFR. THE MOST IMPORTANT ASPECT OF YOUR TALKS WITH HIM WILL BE TO ASSURE HIM OF OUR DEEP CONCERN OVER SOVIET POLICY AND THE READINESS TO WORK OUT WITH HIM AND OTHERS A POLICY TO COUNTER THE THREAT. AS OUR MESSAGES HAVE INDICATED, THE SHAH VIEWS PAKISTAN AS THE SOFT SPOT IN THE AREA, POLITICALLY UNSTABLE, BEREFT OF DECISIVE LEADERS WHO HAVE POPULAR FOLLOWING, AND VERY VULNERABLE TO SUBVERSION FROM AFGHANISTAN. HE IS DEEPLY WORRIED BY THE SITUATION IN PAKISTAN AND WILL WARMLY WELCOME STEPS WE HAVE IN MIND ONCE THE REPROCESSING ISSUE IS OUT OF THE WAY.

4. HOWEVER, HE IS DEEPLY PESSIMISTIC THAT THE PAKISTANIS HAVE THE WISDOM OR POLITICAL STRENGTH TO FACE UP TO THE CHANGED GEO-POLITICAL SITUATION. HE IS WORRIED BY THE PAKISTANI THREATS TO REFURBISH RELATIONS WITH THE USSR BUT LOOKS UPON THIS PAKISTANI RESPONSE AS SECRET

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SYMPTOMATIC OF A DEEPER MALAISE-THE ABSENCE OF AN INTERNAL CONSENSUS ON THE NATURE OF PAKISTAN AND A PSYCHOLOGICAL INABILITY TO PUT THE TRADITIONAL INDIAN THREAT TO THE SIDE. FOR THE SHAH THE FATE OF BHUTTO (ISLAMABAD 6400) IS A PRAGMATIC ISSUE: BHUTTO WAS A FOOL, HE HAS SAID, BUT HIS EXECUTION WOULD FURTHER DESTABILIZE AN ALREADY SHAKY SITUATION. HE BELIEVES FIRMLY THAT THE PAK LEADERS SHOULD BE ABLE TO RECOGNIZE THIS AND, IN LIGHT OF MORE SERIOUS MATTERS, TAKE THE APPROPRIATE ACTION.

5. HE WILL BE PREPARED, WE BELIEVE, TO GIVE A GENERAL COMMITMENT TO JOIN US IN A MULTILATERAL PROGRAM FOR PAKISTAN, BUT HE MAY NOT MAKE SPECIFIC PLEDGES. AT THIS TIME IRAN'S OIL EXPORTS ARE DOWN AND THE BUDGET WILL LIKELY BE IN DEFICIT; IRAN FOR A YEAR OR SO HAS HELD BACK ON MAKING LARGE FOREIGN ASSISTANCE COMMITMENTS. HE WILL LEAN TOWARD MOVING SLOWLY IN THE TRANSFER OF RESOURCES TO PAKISTANI TO SEE WHETHER THE PAKS CAN ADJUST THEIR SIGHTS FROM INDIA TO THE USSR AS THE MAIN THREAT.

6. ONE IMPORTANT STEP THAT HE COULD TAKE NOW OR IN THE NEAR FUTURE WOULD BE THE IRANIAN GUARANTEE FOR THE DOLS 300 MILLION LOAN TO PAKISTAN BY AN INTERNATIONAL SYNDICATION OF BANKS. THERE ARE A NUMBER OF DIFFICULT TECHNICAL ISSUES TO BE WORKED OUT AND THE IRANIANS ARE RELUCTANT TO MOVE ON IT AS LONG AS THE PAK CONSORTIUM DOES NOT AGREE TO RESCHEDULE PAKISTAN'S OVERALL DEBT. IN THE DEFENSE FIELD, WE ARE CONFIDENT THE SHAH WOULD AGREE TO SOME TRANSFERS OF HARDWARE AND THE PROVISION OF TRAINING IN A NUMBER OF FIELDS.

7. FOLLOWING PREPARATION OF ABOVE CHARGE MET WITH BRITISH CHARGE WHO HAS IN THE LAST MONTH BEEN PRESENT AT FOUR AUDIENCES (PARLIAMENTARY DELEGATION, EDWARD SECRET

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HEATH, HAROLD WILSON, AND CHIEF, DEFENSE STAFF). SHAH'S COMMENT WERE IN LINE WITH ABOVE BUT FEW POINTS ARE WORTH ADDING. SHAH REVEALED SENSITIVITY THAT WESTERN POWERS DO NOT SUFFICIENTLY RECOGNIZE EFFORTS HE HAS BEEN MAKING TO IMPROVE IRAN'S RELATIONS WITH BOTH PAKISTAN AND INDIA AND TO BRING THE TWO TOGETHER. HE REMARKED THAT HE IS NOT MEDDLING BUT TRYING TO SHOW THE RIGHT DIRECTION BY HIS ACTIONS AND POLICIES. HE DEVELOPED AT LENGTH FOR HIS BRITISH AUDIENCES HIS CONCERN THAT THE US IS UNABLE OR UNWILLING TO SACRIFICE FOR THE DEFENSE OF THE AREA. "IF I COULD NOT PAY FOR THE MILITARY EQUIPMENT, WOULD I RECEIVE ANY? LOOK AT TURKEY AND PAKISTAN." AS EXPECTED, HE MOANED ABOUT THE POWER OF CONGRESS AND ITS ASSUMPTION OF EXECUTIVE BRANCH POWERS AND WONDERED WHETHER THE TREND COULD BE REVERSED. FINALLY, HE EXPRESSED IRRITATION THAT HIS EFFORTS (UNSTIPULATED) TO ASSIST IN SOUTHERN AFRICA HAVE NOT BEEN APPRECIATED. IN THIS CONNECTION, IT WOULD BE HELPFUL IF THE UNDER SECRETARY WERE IN A POSITION TO BRIEF THE SHAH ON THE US-UK APPROACH TO SOUTH AFRICA ON NUCLEAR AR MATTERS. NAAS UNQUOTE VANCE

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